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## SUMMARY

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## 4. Bao Dai proposes plan for new government in South Vietnam:

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Bao Dai has proposed a master plan for a solution to the crisis in Vietnam. As outlined to the American embassy in Paris on 20 April by his chief adviser,

the first step, as soon as France and the United States approve, would be to bring Phan Huy Quat to France, where he would be charged with forming a new government. Bao Dai promised that this move would be handled so as to preserve Diem's authority and "face."

The government would consist of two policy-making bodies whose disputes Bao Dai would arbitrate—a cabinet of approximately 12 nonpolitical technicians and a high council of some 18 members representing political groups, the sects, the army, the peasantry, artisans, and the trade unions. The high council would serve until a national assembly could be elected by universal suffrage at some indefinite date. Bao Dai believed that the establishment of a provisional government pending elections would be "madness," and that any thought of national elections in the immediate future would be totally unrealistic.

Bao Dai, who sees his own role as that of an 'arbitrator and catalyst," would guarantee the good behavior of the sects and the Binh Xuyen. He regards the plan as the best possible means of "replacing Diem without antagonizing the United States." Bao Dai recognized that no plan could be put into effect without prior French and American approval but asserted it was absolutely essential that the United States take "no visible role" in connection with his plan.

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If the United States continued to back Diem, Bao Dai would no longer be responsible for events in Vietnam, but he wished to state formally that he would yield to American views if the United States opposed his plan and continued to support Diem. He explained that Vietnam's national interest did not permit it to oppose the United States.

	NEAR EAST - AFRICA	
5.	Comment on murder of high Syrian army officer:	
	The assassination on 22 April of Colonel Adnan Malki, the Syrian army chief of operations and training, removes from the scene an army officer who was asso- ciated with the leftist, anti-Western clique that dominates Prime Minister Asali's coalition cabinet. This clique has been pushing for a Syrian-Egyptian-Saudi Arabian defense pact.	
	Malki was shot by an army sergeant who reputedly was a member of the Syrian Social National Party, a small, nationalist group that believes in Iraqi-Syrian union centered on Damascus, not Baghdad.	
	The murder occurs at a time when the struggle for power within Syria has been threatening to erupt into military action. Malki's superior and friend, Chief of Staff Shawkat Shuqayr, appears currently to be courting open rebellion from Syrian army officers who oppose his policy of ridding the ranks of pro-Iraqi officers. Malki's death will probably induce the chief of staff	
	to move swiftly in his attempts to tighten his control.	25X1
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7. Turkish prime minister presses for American economic aid:

Ambassador Warren reports that when he endeavored on 20 April to caution Turkish prime minister Menderes on prospects for increased American economic aid, the prime minister reacted with bitterness and 'an intensity of conviction and determination.'

Menderes said that in the economic field the United States alone is unwilling to extend credit to Turkey, and he added that his country could get along without American economic aid. He said that he had heard only criticism and cries of inflation from Americans since he came into office. Washington does not appreciate, he warned, the importance of Turkey against the Soviet Union and the need for continued political stability "in this critical spot."

Comment: The prime minister's pique reflects the degree of tension which, in the judgment of top American officials in Turkey, has reached a stage that might affect all American activities there. In mid-March, Ankara reiterated last year's unsuccessful request for a \$300,000,000 American loan for economic purposes and requested a definite reply or the cessation of economic talks then under way.

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Economic conditions in Turkey have seriously deteriorated during recent months, largely because of Ankara's unwillingness or inability to cope with large foreign commercial debts and general economic imbalance.

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## THE FORMOSA STRAITS

Report of the IAC Current Intelligence Group for the Formosa Straits Problem

This report is based on information received in Washington up to 1100 hours 22 April 1955.			
1. No significant activity has been reported.			

